

**立法會**  
**Legislative Council**

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**Finance Committee of the Legislative Council**

**Minutes of the 46<sup>th</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Monday, 28 September 2020, from**  
**9:00 am to 1:02 pm; and from 2:33 pm to 5:22 pm**

**Members present:**

Hon CHAN Kin-por, GBS, JP (Chairman)  
Hon CHAN Chun-ying, JP (Deputy Chairman)  
Hon James TO Kun-sun  
Hon LEUNG Yiu-chung  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Tommy CHEUNG Yu-yan, GBS, JP  
Prof Hon Joseph LEE Kok-long, SBS, JP  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon WONG Ting-kwong, GBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Hon CHAN Hak-kan, BBS, JP  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon WONG Kwok-kin, SBS, JP  
Hon Mrs Regina IP LAU Suk-yee, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Claudia MO  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon Steven HO Chun-yin, BBS  
Hon Frankie YICK Chi-ming, SBS, JP  
Hon WU Chi-wai, MH  
Hon YIU Si-wing, BBS  
Hon MA Fung-kwok, SBS, JP  
Hon Charles Peter MOK, JP  
Hon CHAN Chi-chuen

Hon CHAN Han-pan, BBS, JP  
Hon LEUNG Che-cheung, SBS, MH, JP  
Hon Kenneth LEUNG  
Hon Alice MAK Mei-kuen, BBS, JP  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung, JP  
Hon Dennis KWOK Wing-hang  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Dr Hon Helena WONG Pik-wan  
Hon IP Kin-yuen  
Hon Elizabeth QUAT, BBS, JP  
Hon Martin LIAO Cheung-kong, GBS, JP  
Hon POON Siu-ping, BBS, MH  
Dr Hon CHIANG Lai-wan, SBS, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon Alvin YEUNG  
Hon Andrew WAN Siu-kin  
Hon CHU Hoi-dick  
Hon Jimmy NG Wing-ka, BBS, JP  
Dr Hon Junius HO Kwan-yiu, JP  
Hon HO Kai-ming  
Hon LAM Cheuk-ting  
Hon Holden CHOW Ho-ding  
Hon SHIU Ka-fai, JP  
Hon SHIU Ka-chun  
Hon Wilson OR Chong-shing, MH  
Hon YUNG Hoi-yan, JP  
Dr Hon Pierre CHAN  
Hon Tanya CHAN  
Hon CHEUNG Kwok-kwan, JP  
Hon HUI Chi-fung  
Hon LUK Chung-hung, JP  
Hon LAU Kwok-fan, MH  
Hon Kenneth LAU Ip-keung, BBS, MH, JP  
Dr Hon CHENG Chung-tai  
Hon KWONG Chun-yu  
Hon Jeremy TAM Man-ho  
Hon Vincent CHENG Wing-shun, MH, JP  
Hon Tony TSE Wai-chuen, BBS

**Member absent:**

Hon CHUNG Kwok-pan

[According to the announcement made by the Hong Kong Special Administrative Region Government on 11 November 2020 pursuant to the Decision of the Standing Committee of the National People's Congress on Issues Relating to the Qualification of the Members of the Legislative Council of the Hong Kong Special Administrative Region, Kenneth LEUNG, KWOK Ka-ki, Dennis KWOK Wing-hang and Alvin YEUNG were disqualified from being a member of Legislative Council on 30 July 2020.]

**Public officers attending:**

Mr Christopher Hui Ching-yu	Secretary for Financial Services and the Treasury
Mr Joseph CHAN Ho-lim	Under Secretary for Financial Services and the Treasury
Mr Raistlin LAU Chun, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) <sup>1</sup>
Mr Mike CHENG Wai-man	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Matthew CHEUNG Kin-chung, GBM, GBS, JP	Chief Secretary for Administration
Ms Angelina KWAN Yuen-ye, JP	Head, Human Resources Planning and Poverty Co-ordination Unit, Chief Secretary for Administration's Private Office
Miss Carrie CHANG Kar-wai	Administrative Assistant to Chief Secretary for Administration
Mr Edward YAU Tang-wah, GBS, JP	Secretary for Commerce and Economic Development
Dr Bernard CHAN Pak-li, JP	Under Secretary for Commerce and Economic Development
Mr Joe WONG Chi-cho, JP	Commissioner for Tourism
Mr Patrick NIP Tak-kuen, JP	Secretary for the Civil Service
Mr Kevin YEUNG Yun-hung, JP	Secretary for Education
Dr CHOI Yuk-lin, JP	Under Secretary for Education
Prof Sophia CHAN Siu-chee, JP	Secretary for Food and Health
Miss Amy YUEN Wai-yin, JP	Deputy Secretary for Food and Health (Health) <sup>2</sup>
Miss Vivian LAU Lee-kwan, JP	Director of Food and Environmental Hygiene
Dr Constance CHAN Hon-ye, JP	Director of Health
Dr Tony KO Pat-sing	Chief Executive, Hospital Authority
Mr Caspar TSUI Ying-wai, JP	Secretary for Home Affairs
Dr David CHUNG Wai-keung, JP	Under Secretary for Innovation and Technology
Dr LAW Chi-kwong, GBS, JP	Secretary for Labour and Welfare

Ms PANG Kit-ling	Assistant Director of Social Welfare (Family and Child Welfare)
Mr Frank CHAN Fan, JP	Secretary for Transport and Housing
Miss Rosanna LAW Shuk-pui, JP	Commissioner for Transport
Mr LIU Chun-san, JP	Under Secretary for Development

**Clerk in attendance:**

Ms Anita SIT	Assistant Secretary General 1
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**Staff in attendance:**

Ms Angel SHEK	Chief Council Secretary(1)1
Miss Bowie LAM	Council Secretary (1)1
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Mr Frankie WOO	Senior Legislative Assistant (1)3
Miss Yannes HO	Legislative Assistant (1)7
Ms Haley CHEUNG	Legislative Assistant (1)10

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Action

The Deputy Chairman reminded members of the requirements under Rule 83A and Rule 84 of the Rules of Procedure.

**Item 1 — FCR(2020-21)71**

**HEAD 142 — GOVERNMENT SECRETARIAT: OFFICES OF THE CHIEF SECRETARY FOR ADMINISTRATION AND FINANCIAL SECRETARY**

**Subhead 700 General non-recurrent**

**Item 803 Anti-epidemic Fund**

**HEAD 37 — DEPARTMENT OF HEALTH**

**Subhead 700 General non-recurrent**

**New item "Procurement and Administration of coronavirus disease-2019 Vaccines"**

**HEAD 140 — GOVERNMENT SECRETARIAT: FOOD AND HEALTH BUREAU (HEALTH BRANCH)**

**Subhead 000 Operational expenses**

**Subhead 700 General non-recurrent**

**New Item "Special Support Scheme for Hospital Authority's chronic disease patients living in the Guangdong**

**Province to sustain their medical consultation under coronavirus disease-2019"**

**HEAD 170 — SOCIAL WELFARE DEPARTMENT**

**Subhead 700 General non-recurrent**

**Item 809 Special Scheme of Assistance to the Unemployed**

**Item 811 Short-term food assistance**

Continuation of the discussion on FCR(2020-21)71

2. The Finance Committee ("FC") continued with the discussion on FCR(2020-21)71.

3. The Deputy Chairman advised that this item sought the approval of FC for:

- (a) an increase in commitment by \$5.4 billion from \$150.5 billion to \$155.9 billion under Head 142 Government Secretariat: Offices of the Chief Secretary for Administration and Financial Secretary Subhead 700 General non-recurrent Item 803 for injection into the Anti-epidemic Fund ("AEF") to provide funding for enhancing the capability in combating the epidemic, and providing targeted relief to individuals and businesses hard hit by the coronavirus disease-2019 ("COVID-19") epidemic and directly affected by the Government's anti-epidemic and social distancing measures;
- (b) creation of a new commitment of \$8,441.3 million under Head 37 Department of Health ("DH") Subhead 700 General non-recurrent for procurement and administration of vaccines against the epidemic;
- (c) under Head 140 Government Secretariat: Food and Health Bureau (Health Branch) – (i) a supplementary provision of \$2,019 million under Subhead 000 Operational expenses in 2020-2021 to provide additional subvention to the Hospital Authority ("HA") to combat the winter surge or the next wave of epidemic; and (ii) a new commitment of \$103.8 million under Subhead 700 General non-recurrent for setting up a designated fund to implement a special support scheme to provide subsidized consultation sessions at the University of Hong Kong - Shenzhen Hospital ("HKUSZH") for HA's chronic disease patients who are unable to return to Hong Kong for receiving their scheduled medical consultations in

HA owing to travel restrictions during the COVID-19 outbreak;

- (d) an increase in commitment by \$127 million from \$1,132 million to \$1,259 million under Head 170 Social Welfare Department Subhead 700 General non-recurrent Item 811 to meet the increase in demand for short-term food assistance; and
- (e) an extension of the Special Scheme of Assistance to the Unemployed under the Comprehensive Social Security Assistance Scheme ("CSSA") for six months from 1 December 2020 to 31 May 2021, with the expenditure to be met with existing provisions under Head 170 Social Welfare Department Subhead 700 General non-recurrent Item 809 Special Scheme of Assistance to the Unemployed.

4. The Deputy Chairman stated that before the end of the last meeting (25 September), Mr Alvin YEUNG had around one minute left in the third round of his speaking time (three minutes). He would allow Mr YEUNG to ask first.

#### Procurement and administration of vaccines

5. Mr POON Siu-ping stated that he supported the Government in its allocation of resources to reserve/procure vaccines and to support HA in dealing with the winter surge or the next wave of epidemic. Mr CHAN Chi-chuen and Mr LEUNG Yiu-chung enquired about the basis of calculation of the estimated expenditure of \$8,441.3 million on reserving/procuring vaccines. Mr Wilson OR enquired about the reasons for the Government to set aside contingency funds up to \$555 million for the procurement of vaccines. Mr LEUNG enquired why the Administration suggested that two doses of vaccine were needed for each member of the public, and suggested the Government use part of the commitment first to assist people who had yet to benefit from any anti-epidemic measures. If the commitment for reserving/procuring vaccines was insufficient in the future, the Government could apply for additional funding from FC.

6. Secretary for Food and Health ("SFH") stated that the Joint Scientific Committee on Emerging and Zoonotic Diseases and the Scientific Committee on Vaccine Preventable Diseases ("the Joint Scientific Committees") under DH suggested that all Hong Kong people receive COVID-19 vaccination to effectively prevent infection. The

current plan was that each member of the public needed to receive two doses of vaccines. Therefore, the doses procured should be sufficient to cover at least twice the Hong Kong population, and this should form the basis of calculation of the estimated expenditure on reserving/procuring vaccines. She further explained that the estimated expenditure included (a) joining the COVAX Facility ("COVAX") to supply vaccines to 35% of the population; (b) purchasing at least two types of vaccines from different vaccine platforms through Advance Purchase Agreements ("APAs") to secure the supply for twice the population of Hong Kong; and (c) implementation costs, including manpower and administrative costs. As the prices of vaccines might fluctuate, there was a need to reserve contingency funds to ensure that sufficient vaccines could be procured.

7. Deputy Secretary for Food and Health (Health)<sup>2</sup> added that according to the existing data on vaccine research and development, one dose of vaccine might not be effective in protecting the public from COVID-19 infection. Therefore, the Administration suggested each member of the public receive two doses of vaccines. With each person receiving two doses of vaccines, the Administration could procure around 5.25 million doses of vaccines through COVAX with an average price of \$90 per dose. It was estimated that 30 million doses of vaccines could be procured through APAs. The average price of each dose of vaccine would be \$170. She pointed out that no vaccines had completed Phase 3 clinical trials at this stage. Therefore, the above prices of vaccines were only estimates.

8. Chief Secretary for Administration ("CS") stated that to exercise fiscal prudence, it was necessary for the Government to set a cap on the commitment for each measure (including the procurement of vaccines) to control project expenditure. The Government would continue to submit reports to the Legislative Council ("LegCo") on a regular basis to explain the work progress of AEF; it would also consider applying for additional funding for the procurement of vaccines when necessary in light of the epidemic development and the supply and demand of vaccines in the future.

9. Dr KWOK Ka-ki enquired whether the Administration would place orders and settle payments in stages or it would purchase all needed vaccines at once; and how the Administration would handle in case of a large number of vaccines remaining due to a low take-up rate. SFH stated that the Government planned to procure at least two types of vaccines from two vaccine platforms. As it was difficult to estimate when vaccine developers could supply vaccines to the Hong Kong Government, the vaccines would most likely be purchased in stages. The Administration

needed to ensure that required resources were in place to execute the procurement when suitable vaccines were available.

10. Dr CHENG Chung-tai was concerned that the media reported that a large number of major countries such as Germany, France and the United States did not join COVAX, reflecting that these countries did not trust the facility. He enquired why the Administration still decided to join. Dr CHENG and Dr Helena WONG enquired about the criteria adopted by the Administration to decide the vaccines that various types of persons should receive, and whether the people could choose to receive a certain type of vaccine by themselves.

11. SFH stated that COVAX was an international mechanism joined by the World Health Organization. It was up to the Joint Scientific Committees and relevant expert groups to decide how Hong Kong would procure vaccines. Regarding Dr CHENG Chung-tai's claim that the Government had political considerations for joining COVAX, CS stressed that the procurement of vaccines was a public health issue and did not involve any political considerations.

12. Mr CHAN Chi-chuen and Dr Helena WONG considered that to effectively diversify risks, vaccines should be procured from at least two manufacturers from different countries. Mr CHAN urged members to objectively consider the pros and cons of individual anti-epidemic measures, instead of being compelled to vote in favour of the item because the Government bundled the procurement of vaccines with other measures into one funding proposal.

13. Dr Priscilla LEUNG stated that compared with Hong Kong, the epidemic in Mainland China was contained earlier. However, some Members and healthcare workers suggested the Government not to consider procuring vaccines from Mainland manufacturers, and even urged the public not to participate in the previous Universal Community Testing Programme because the companies tasked for the testing were Mainland companies. She criticized that these people were too narrow-minded. Dr LEUNG stressed that the procurement of vaccines should focus on the proven efficacy of vaccines, and that one could not unjustifiably rule out the possibility of procuring vaccines from the Mainland. Mr HUI Chi-fung said it was true that many members of the public lacked confidence in Mainland brands and testing personnel, resulting in a lower-than-expected participation rate of the Universal Community Testing Programme.



14. In response, SFH advised that apart from the plan to procure at least two types of candidate vaccines from different vaccine developers and vaccine platforms, it was more important to consider the quality, efficacy and safety of the vaccines. The Joint Scientific Committees and government experts in related fields would conduct assessments based on scientific data. The Joint Scientific Committees had entered into non-disclosure agreements with some vaccine developers to obtain data for the evaluation of the efficacy of vaccines which were undergoing Phase 3 clinical trials.

15. Mr CHAN Chi-chuen enquired about the countries that Hong Kong had signed the above agreements with. Director of Health ("DoH") stated that as the agreements involved terms of keeping all information confidential, the list of signatory countries and the content of agreements could not be disclosed. She added that currently no vaccines had completed Phase 3 clinical trials, and therefore, the types of vaccines to be procured had not yet been determined.

16. Mr CHAN Chun-ying was concerned about the low take-up rates of previous vaccination schemes. Take influenza vaccines as an example, the Government Vaccination Programme, the Vaccination Subsidy Scheme and the Seasonal Influenza Vaccination School Outreach only administered a total of 1.4 million doses of vaccines for the public, less than 20% of the Hong Kong population. He enquired how the Administration would encourage the public to receive COVID-19 vaccines. Mr Wilson OR also expressed similar concerns.

17. Mr Martin LIAO, Mr POON Siu-ping, Dr Helena WONG and Ms Claudia MO enquired whether the Government would consider implementing compulsory virus testing and vaccination for the entire population. Mr LIAO enquired how the Government would encourage the public to receive vaccination if it did not plan to adopt a mandatory approach. He mentioned that up to 20% of the population in the United Kingdom indicated an intention not to receive vaccination, and asked how the Government would respond to similar situations.

18. SFH stated that apart from the Universal Community Testing Programme completed earlier, the Government also continued to carry out virus testing for specific groups with a higher risk of exposure (e.g. employees of residential care homes for the elderly ("RCHEs")). It was planned that vaccination would be administered on a voluntary basis. In this regard, the Administration would strengthen publicity and promotion in explaining to the public the importance of receiving vaccination. At the same time, it would also consider ways to facilitate

public vaccination.

19. Dr Helena WONG enquired whether the Administration planned to provide free vaccination for all Hong Kong people and whether it would set priorities for vaccination. DoH stated that the vaccination arrangements would draw reference from previous vaccination subsidy schemes. SFH stated that under other existing vaccination subsidy schemes, many members of the public could get free vaccination. The initial idea of the Administration was likewise to provide free COVID-19 vaccination for the public, but details were still to be finalized.

#### Providing additional resources to the Hospital Authority

20. Mr Christopher CHEUNG expressed support for the third round of AEF. He was concerned that when the third wave of the epidemic broke out, a large number of patients had to stay at home long after being diagnosed due to insufficient hospital beds. The delay in hospitalization increased the risks of infection of patients' families and might lead to community transmission. Such a situation was far from ideal. He enquired whether HA would increase the supply of hospital beds or other quarantine facilities after the funding was approved.

21. SFH stated that the Government planned to provide a subvention for HA to combat the winter surge and the next wave of epidemic. Upon understanding the clinical needs, HA had to increase the numbers of beds and related facilities, while other community treatment and quarantine facilities were in place. Apart from the original Tier-2 beds and quarantine facilities of HA, a total of 900 beds were set up in Hall 1 and Hall 2 of the AsiaWorld-Expo ("AWE") on standby. In addition, with the support of the Central Government, the Government planned to provide around 1 000 beds in four other halls in AWE and construct a temporary hospital on sites near AWE, which was expected to provide 800 to 900 beds.

22. Ms Claudia MO referred to Enclosure C to FCR(2020-21)71 on earmarking \$294 million for HA to procure additional personal protective equipment ("PPE"), and pointed out that some healthcare workers had mentioned of the shortage of protective equipment. Ms MO enquired how the above-mentioned procurement would improve the PPE for healthcare staff, such as whether healthcare staff could have more than one protective gown/one set of protective coveralls per day for changes.

23. Chief Executive of the Hospital Authority ("CE of HA") stated that since the epidemic broke out, HA had actively procured PPE. The current

stock was sufficient for six months' use. Healthcare staff would use protective equipment as and when necessary, and the equipment would be replaced on the basis of necessity. He clarified that the additional PPE procured with the \$294 million proposed to be earmarked in Enclosure C would be used by frontline staff working in the newly established Community Treatment Facility and the temporary hospital.

24. Prof Joseph LEE stated that frontline healthcare staff had been working hard for months to prevent and fight the epidemic. With the winter influenza peak season approaching, it was expected that they would have to cope with an even heavier workload. However, HA followed the Government to freeze pay this year, which led to low morale among healthcare staff. He referred to the joint signature campaign organized by the Association of Hong Kong Nursing Staff earlier which collected more than 120 000 signatures in support of the disbursement of additional allowances to frontline healthcare staff. Prof LEE and Ms Claudia MO enquired whether the Administration could allocate funding from AEF to disburse a one-off grant to frontline healthcare staff to boost morale.

25. Ms Claudia MO and Dr KWOK Ka-ki criticized that HA exerted pressure on those healthcare staff who participated in the strike in February this year which demanded boundary closure and held them accountable afterwards. Mr CHAN Han-pan enquired whether the Government had rewarded those healthcare staff who demonstrated full commitment against the epidemic during the outbreak without participating in the strike staged earlier.

26. CS stated that the Government paid homage to all healthcare staff who did their best to serve the public. The pay freeze was not targeted at HA. All civil servants and employees of Government-funded bodies were required to follow the mechanism to freeze pay this year. As to whether it was feasible to disburse a one-off special grant to frontline healthcare staff, it had to be reviewed by the Food and Health Bureau ("FHB").

27. CS and CE of HA mentioned that the first round of AEF allocated \$4.7 billion to provide additional resources to HA in tackling the epidemic, in particular for ensuring sufficient support and protection for frontline healthcare staff, such as providing Special Emergency Response Allowance equivalent to 20% of the salary or \$500 per day, offering special rental allowances to staff who needed to rent hotel rooms or other premises for temporary stay, and making temporary accommodation arrangements; also, there was additional procurement of PPE and other related accessories for healthcare staff.

28. Regarding the absence from duty of some healthcare staff in February this year, CE of HA stated that relevant personnel cited different reasons for the absence from duty, including strikes or indicating their unwillingness to handle certain types of work. At present, HA first had to understand the situation and work arrangements, etc. at the time with relevant personnel before any further follow-up. CS stressed that the Administration never suppressed any HA employees. He hoped healthcare staff remember it was their duty to save people, and that they should treat patients with a benevolent mind and deal with problems rationally.

29. As some non-emergency medical services had been affected by the epidemic and the waiting time was significantly prolonged, Mr CHAN Han-pan suggested the Government consider proceeding with public-private partnership, so that the waiting time for relevant services could resume normal. Dr CHIANG Lai-wan stated that the waiting time for ophthalmic services was as long as 35 months. She enquired whether specialist outpatient clinic service had returned to normal as the epidemic had stabilized. Dr KWOK Ka-ki also pointed out that it took longer and longer waiting time before patients could receive psychiatric outpatient services and replacement of knee joints, etc. He enquired about the measures to assist these patients.

30. In response, CE of HA advised that when the epidemic was more severe, the Government strengthened check-up and diagnostic services through public-private partnership. Taking radiological imaging services as an example, the number of people served could reach 1.6 times that of the same period last year. HA had already resumed these services as soon as possible when the epidemic stabilized. The current service volume had returned to the level of the same period last year, and specialist outpatient clinic service had also resumed gradually. Under the new normal of the epidemic, an adjustment to the waiting time did take place. HA would provide overtime allowances for relevant healthcare staff to increase the number of service sessions (including weekends) with a view to shortening the waiting time.

Delivery of medications and receipt of follow-up consultations at the University of Hong Kong - Shenzhen Hospital

31. Mr Alvin YEUNG said that the Administration launched a special scheme in February 2020 to deliver prescription medications to Hong Kong people with urgent need for medications in Guangdong Province and Fujian Province ("prescription medications delivery scheme"). He enquired how many patients were served under the scheme by now.

32. Assistant Director of Social Welfare (Family and Child Welfare) stated that the above-mentioned scheme offered 22 000 service attendances from the end of February to 23 September. Secretary for Labour and Welfare ("SLW") added that the scheme delivered prescription medications to Hong Kong people with follow-up consultation appointments. Most of them needed a follow-up consultation every half year. Some cases involved delivering medications more than once. Therefore, the actual number of people served should be slightly lower than the number of deliveries. As the Government had not set up a system to record the information of all patients joining the scheme, it did not keep the exact number of people served.

33. Dr CHENG Chung-tai stated that he did not support the Administration's launch of the "Special Support Scheme for the Hospital Authority's chronic disease patients living in the Guangdong Province to sustain their medical consultation under coronavirus disease-2019" ("the Support Scheme"), citing the difficulty in monitoring the expenditure of the scheme. Mr Alvin YEUNG referred to Enclosure D to FCR(2020-21)71 and mentioned the Administration's estimate that 28 000 patients who would have received follow-up consultations from HA could benefit from the Support Scheme and receive treatment at HKUSZH, while the preliminary estimate of financial implication was \$103.8 million. He enquired about the basis of calculation of the above expenditure and the number of beneficiaries, and why the number of beneficiaries differed from that of the prescription medications delivery scheme.

34. CE of HA stated that the Administration considered that patients residing in Guangdong Province who needed follow-up consultations would have difficulty returning to Hong Kong, and therefore decided to launch the Support Scheme, allowing them to receive follow-up consultations at HKUSZH. However, the Administration did not recommend them to receive more complex or invasive treatment during the follow-up consultations. To his understanding, taking into account consultation fees, drug fees and other examinations, specialist outpatient clinic service of HKUSZH cost around \$400 each time. In general, patients needed to collect drugs at hospitals every one to two months, meaning that they needed to receive follow-up consultations four to five times during the implementation period of the scheme. The Administration currently planned to cap the amount of subsidy for each patient. Based on an average of five follow-up consultations per person, the cap would be around \$2,000.

35. Mr Alvin YEUNG pointed out that based on the Administration's estimate of having 28 000 patient beneficiaries, and assuming that each person's subsidy was capped at \$2,250, this would involve a total expenditure of over \$60 million only. If the calculation was done on the basis of having 38 000 HA patients normally residing in Guangdong Province at most, it would also cost around \$80 million only, far lower than the Administration's estimated expenditure of \$103.8 million. Mr YEUNG and Dr CHENG Chung-tai enquired whether any unspent funding would be returned to the coffer.

36. CE of HA stated that the above subsidy ceiling was only a rough estimate. The Administration still needed to calculate the numbers of follow-up consultations and fees of different specialties in detail. The Administration hoped that the relevant funding would be sufficient to support 38 000 HA patients who normally resided in Guangdong Province. The Support Scheme would operate on a reimbursement basis, i.e. patients could only receive the subsidy after follow-up consultations.

37. Mr Charles Peter MOK referred to Enclosure D to FCR(2020-21)71 which stated that HA would assist in sending patients' health records to HKUSZH. In this regard, he made the following enquiries:

- (a) whether HA planned to share the health records with HKUSZH through the "Electronic Health Record Sharing System" (i.e. "eHRSS") or the "clinical management system" ("CMS") of HA;
- (b) if it was the former, as the system involved information of public and private healthcare institutions, whether HA would need to seek the consent of private institutions;
- (c) as eHRSS was regulated by the Electronic Health Record Sharing System Ordinance (Cap. 625), whether the Administration had assessed if obtaining medical records outside Hong Kong would be in compliance with the legal requirements, or whether legislative amendments would be needed;
- (d) whether the design of eHRSS had considered the need to obtain information outside Hong Kong and whether relevant safety assessments had been conducted; and
- (e) whether HKUSZH could only obtain health records of patients who had joined the Support Scheme.

38. CE of HA clarified that the Administration had no plans to use eHRSS or CMS to share health records with HKUSZH. The specific legal and technical issues related to sending health records had yet to be resolved. The preliminary idea was that patients could apply to eHRSS office for obtaining their personal health records, and relevant staff would download and encrypt copies of the records to patients. Mr Charles Peter MOK was of the view that the above-mentioned practice was tantamount to bypassing the regulation of the Electronic Health Record Sharing System Ordinance and called on the Administration to explain the details to LegCo before launching the Support Scheme. The Administration noted the above view.

"Health Code" mutual recognition arrangement

39. Mr Martin LIAO, Ms Starry LEE, Dr CHIANG Lai-wan and Mr SHIU Ka-fai were of the view that the Government should speed up the launch of the "Health Code" mutual recognition arrangement between Guangdong, Hong Kong and Macao in order to allow residents who were exempt from compulsory quarantine to travel between the three places and resume economic activities in an orderly manner. They enquired about the progress of the implementation of the "Health Code", including whether it could be implemented before the Mid-Autumn Festival and National Day (i.e. 1 October).

40. Ms Alice MAK referred to the arrangement of the Hong Kong Federation of Trade Unions ("HKFTU") for delivering medications to Hong Kong people living in Mainland China, and pointed out that some Hong Kong doctors might not be able to continue prescribing drugs to their patients living in the Mainland without face-to-face consultations. She was of the view that the Government should speed up launching the "Health Code" or other arrangements so that Hong Kong people and their children living in the Mainland could return to Hong Kong for follow-up consultations, schooling and/or reunion with families without compulsory quarantine. Mr KWOK Wai-keung pointed out that a large number of families had been forced to separate for nearly one year, which affected family relationship. He suggested the Government consider allowing three types of Hong Kong people, i.e. those living, studying and working in the Mainland, to be exempted from 14-day compulsory quarantine upon arrival in Hong Kong as long as they had negative nucleic acid test results.

41. CS stated that the "Health Code" mutual recognition arrangement would be the key to restarting cross-boundary travel. The Government was ready to launch the "Hong Kong Health Code" as early as July, only to

be halted by the surge in local confirmed cases. Given the current situation, it would be difficult to resume cross-boundary travel before 1 October. Under the strategy of joint efforts with the Mainland authorities in disease prevention and control, the Hong Kong Special Administrative Region Government would continue to maintain close contact with the Guangdong Provincial Government and the Macao Special Administrative Region Government, and would launch the relevant arrangement once the epidemic in Hong Kong stabilized.

42. Dr CHIANG Lai-wan enquired about the actual operation of the "Hong Kong Health Code", such as whether population-wide testing was necessary, whether there would be quotas for cross-boundary travel, and whether certain groups of persons would be allowed to use the "Hong Kong Health Code" first.

43. CS and Under Secretary for Innovation & Technology explained that under the scheme, eligible and needy persons could make an appointment online to obtain a quota for exemption from compulsory quarantine for entry into the Guangdong Province or Macao. Upon completion of COVID-19 tests, they could download the "Hong Kong Health Code" online for conversion to "Yue Kang Code" or "Macao Health Code" afterwards, and present the relevant information on their mobile phones for health declaration purpose when entering the Guangdong Province or Macao. CS added that the "Hong Kong Health Code" would be launched with quotas in the early stage of implementation, and the number of quotas would increase if the operation was smooth after a trial period.

#### Coronavirus disease-2019 testing

44. Mr Martin LIAO enquired about the measures to be adopted by the Administration to facilitate the public to undergo COVID-19 testing, as well as the estimated level of testing fees. Dr Priscilla LEUNG stated that if virus testing was not compulsory, it was necessary for the Administration to help reduce the fees of private testing institutions to a level more affordable for the public. She was of the view that the Government should consider subsidizing the testing rather than relying solely on market force to drive down the fees. Ms Starry LEE, Dr CHIANG Lai-wan and Ms Elizabeth QUAT enquired whether the Administration could implement subsidized testing services to reduce the testing fees to less than \$100 each time.

45. Mr YIU Si-wing stated that the public and the tourism sector both hoped that the Government would implement the "Hong Kong Health



Code" as soon as possible to resume cross-boundary travel with the Mainland and Macao. He expected that demand for testing after the resumption of cross-boundary travel would greatly increase, and worried that the public's desire to travel would be affected if the testing capabilities were insufficient. He enquired about the maximum daily testing volume that public and private testing services could handle.

46. CS stated that the testing volume of private testing institutions had risen already, which helped reduce the testing fees; on the other hand, the Universal Community Testing Programme launched by the Government earlier and the further rise in demand for testing after resumption of cross-boundary travel would help drive the reduction of fees of private testing institutions. The Government would also explore ways to reduce the burden of relevant fees on grassroots citizens who needed to receive virus testing. SFH added that the Government would continue to maintain close contact with relevant sectors to examine ways to reduce the cost of virus testing.

47. SFH stated that the Government provided resources to the University of Hong Kong and the Chinese University of Hong Kong earlier with a view to increasing virus testing volume. Currently, public testing services could handle a testing volume of more than 7 000 samples per day on a regular basis; the testing volume that could be handled by local private laboratories also reached tens of thousands of samples. As the Administration understood, currently the minimum charge for virus testing in private institutions was around \$700. She believed that with more and more private institutions providing testing services, together with the rising demand for testing after resumption of cross-boundary travel, the testing fees would probably go down.

48. Mr YIU Si-wing was of the view that virus testing volume was closely related to testing fees. The higher the testing volume, the lower the fees should be. He requested the Administration to give an estimate on the public demand for COVID-19 nucleic tests based on different operational levels of border control points in Hong Kong, as well as the supply of such tests (including both the public and private healthcare sectors).

49. SFH reiterated the testing volume that could be handled by the above-mentioned public and private testing services, and pointed out that the Government had purchased services from private organizations according to the existing mechanism to launch the Targeted Group Testing Scheme ("TGTS"). Based on past experience, if the society had the demand (e.g. emergence of a new wave of epidemic), private organizations

could expand the testing volume. She further said that the Administration had all along been keeping in touch with private institutions and requested them to provide information related to testing, but the data currently available might not reflect the testing capabilities in future when strong demand arose. She stated that the Administration would provide relevant information as requested by Mr YIU.

*[Post-meeting note: The supplementary information provided by the Administration was circulated to members vide LC Paper No. FC41/20-21(01) on 13 November 2020.]*

50. Mr Vincent CHENG was concerned how the Administration could do a good job in its anti-epidemic work in the next two to three months with the intermittent resurgence of the epidemic, such as whether it would conduct further testing for people working in RCHEs, schools and markets. He also enquired about the daily testing volume of TGTS.

51. SFH stated that virus testing was an important part of the anti-epidemic work. Apart from the Universal Community Testing Programme completed earlier, the testing work mainly covered three aspects at present: (a) ongoing testing for epidemiological surveillance and investigation conducted by DH and HA; (b) testing for individual high-risk groups (including RCHE staff, market employees and drivers) through TGTS; and (c) specimen collection packs distributed by 46 selected general outpatient clinics under HA within a specified time to facilitate individuals who perceived themselves to have a higher risk of exposure or who experienced mild discomforts to receive COVID-19 testing. TGTS alone could carry out around 5 000 tests per day. In view of the emergence of a new wave of outbreak resulting from the possible rapid deterioration of the epidemic, the Government would purchase testing services from private testing institutions to increase testing volume to deal with unforeseen needs.

52. Dr Fernando CHEUNG said Dr LAM Ching-choi, Member of the Executive Council and Chairman of the Elderly Commission, mentioned in a media interview that RCHEs in Hong Kong were rife with problems, including limited space, inadequate quarantine facilities and infection prevention measures, poor indoor ventilation and insufficient manpower, etc., which resulted in the death of nearly 30 residents from the epidemic. He enquired about the total resources allocated under the three rounds of AEF to improve the above-mentioned problems of RCHEs. Dr Fernando CHEUNG also enquired about the expenditure on the two rounds of testing arranged by the Administration for RCHE employees.

53 In response, CS advised that as employees of RCHEs and residential care homes for persons with disabilities belonged to high-risk groups, the Government had first conducted tests for them earlier. It would also regularize the TGTS concerned.

54. SLW stated that the first round of testing involved an expenditure of more than \$20 million; the second round of testing involved collecting specimens through distributing specimen collection containers to the residential care homes concerned, therefore the testing expenditure was slightly lower, which stood at around \$10 million; the third round of testing would be completed in the coming days.

55. Mr MA Fung-kwok stated that he suggested to the Government a few months ago that it should set up testing centres and laboratories at border control points to conduct virus testing on the spot for Hong Kong people before they left Hong Kong; if the test results were negative, they could enter the Mainland under the exemption from compulsory quarantine arrangement. Given that the Guangdong Province had achieved "zero infection" (i.e. no new COVID-19 cases), Hong Kong people living on the Mainland should also be allowed to enter Hong Kong under the exemption from compulsory quarantine arrangement if they passed the virus tests on the Mainland. He questioned about the Government's delay in the launch of these measures.

56. SFH referred to the current testing arrangements for different groups, and pointed out that for people who were involved in immigration (e.g. "Travel bubbles" and the "Hong Kong Health Code" to be launched in the future) with a need to undergo virus testing, the current processing capacities of private testing institutions had substantially enhanced (up to tens of thousands of tests per day). SFH added that compulsory quarantine belonged to the respective policy matter of Hong Kong and the Mainland, and had no direct relation to the testing arrangements.

Relevant quarantine arrangements for the listing of the United Kingdom as a high-risk place

57. Mr Christopher CHEUNG said that the Administration gazetted the latest specifications last Thursday (24 September) and listed the United Kingdom as a high-risk place, but the relevant measures were not officially implemented until 1 October. He enquired about the reasons for that, and whether the Administration had made a risk assessment on this and how they would prevent persons carrying the virus from entering Hong Kong.

58. DoH stated that currently everyone arriving Hong Kong at the Hong Kong International Airport had to provide deep throat saliva samples at the Temporary Specimen Collection Centre. They would only be allowed to proceed to undergo a 14-day compulsory quarantine at hotels or in their places of residence after getting a negative test result. The above measure could prevent potential patients from spreading the virus in the community. If the people concerned were from high-risk places, they had to provide negative nucleic acid test results issued within 72 hours before boarding flights. In order to provide further protection for preventing community spreading; the Administration would review the risks in different countries/places on a regular basis. After evaluation, the Administration recently decided to list the United Kingdom as a high-risk place according to the Prevention and Control of Disease (Regulation of Cross-boundary Conveyances and Travellers) Regulation (Cap.599H). In consideration of the actual implementation, such as the time needed for people in the places concerned to undergo nucleic acid tests locally and obtain test results, the Administration decided to implement the relevant measures on 1 October.

59. Mrs Regina IP was concerned that the Government listed the United Kingdom as a high-risk place, and that people returning to Hong Kong from the United Kingdom had to quarantine for 14 days in hotels. However, some people returning to Hong Kong were primary school or junior secondary school students who could not stay in quarantine in hotels alone. She enquired whether the Administration would allow people aged 18 or below to quarantine at home. Mrs Regina IP enquired whether the Administration would allow different family members to accompany these people aged 18 or below during hotel quarantine.

60. DoH stated that according to the Prevention and Control of Disease (Regulation of Cross-boundary Conveyances and Travellers) Regulation, families of people aged under 18 returning to Hong Kong from high-risk places could apply to accompany them for hotel quarantine. However, a frequent change of companion would jeopardize risk management and infection control.

#### Measures to support employment

61. Mr Wilson OR enquired about the measures adopted by the Administration to support self-employed persons and elderly employees aged 65 or above.

62. SLW stated that currently around 210 000 self-employed persons were eligible to apply for the Employment Support Scheme ("ESS"), but the number of applications was rather low since the launch of the Scheme,

which reflected that a large number of self-employed persons might not be aware of their eligibility for application. Apart from ESS, the Administration also provided subsidies for self-employed persons in different fields such as education, social welfare and recreation and sports. The Government was willing to consider any suggestions from Members which might help identify self-employed persons.

63. Ms Elizabeth QUAT suggested that ESS focus on assisting enterprises that could prove their heavy losses of income and higher risk of closure during the epidemic. Mr POON Siu-ping stated that ESS could only help some employees remain employed during the epidemic, but many working-class citizens (including the unemployed and those who could not benefit from the Scheme) were still suffering from financial distress. He expected that unemployment would worsen later, and the Government had to introduce further measures to assist those people whose livelihood was threatened by the epidemic.

64. SLW stated that the Government had no plans to revise ESS at this stage. He pointed out that the existing CSSA Scheme in Hong Kong would continue to serve as a safety net. CS stated that after the second tranche of ESS ended in November 2020, the Government would consider whether to optimize ESS based on the effectiveness of the Scheme, the latest situation of the epidemic and available resources, as long as this was within its affordability.

65. Mr MA Fung-kwok, Dr Helena WONG, Mr LAU Kwok-fan and Mr WONG Ting-kwong criticized that ESS failed to focus on supporting people in need. They were particularly dissatisfied that supermarket chain stores ("supermarkets") and large property management companies (employing more than 1 000 employees) not affected by the epidemic had received a substantial amount of subsidies. Mr LAU stated that although the Government added new conditions in the second tranche of ESS to require the two supermarkets and large property management companies to submit give-back schemes, such a move was generally not well received by the public. Moreover, small and medium-sized property management companies did not have to give back to residential property owners, and the subsidies they received were equivalent to one or two years' profits of their companies. He enquired whether the Administration had a mechanism to deal with the unfairness mentioned above, such as whether it could stop subsidizing enterprises which were profitable under the epidemic in the second tranche of the Scheme.

66. SLW stated that ESS aimed to disburse subsidies to employers as early as possible in order to protect employment. It would take a lot of

manpower to review the operating situation of relevant enterprises before deciding whether to approve the subsidies or the amount of subsidies to be approved, and it might take more than half a year to implement the Scheme. Taking the example of the "Caring and Sharing Scheme" in 2018 which handed out \$4,000 to each eligible person, it took 17 months before it could start accepting applications.

67. Mr LAM Cheuk-ting noted that under the second tranche of ESS, large property management companies that applied for wage subsidies had to promise to return at least 80% of the wage subsidies to residential property owners or owners' corporations. Mr LAM enquired about which month of the year that would form the basis of calculation of the number of employees. SLW replied that the calculation was based on the number of employees hired in March 2020. Mr LAM stated that property management companies hiring nearly 1 000 employees were not small in scale; it would be a waste of public money if these companies were also allowed to apply for wage subsidies under ESS without having to give back to residential property owners or owners' corporations.

68. SLW noted the above view, and said that the second tranche of ESS intended to target large property management companies and require them to draw up give-back schemes. Regarding the definition of large property management companies, a line had to be drawn on the number of employees, and different people might have different standards on this. He reiterated that if the Administration had to examine enterprises' operating conditions before making any decision on whether to approve subsidies, it would be difficult to complete the review and disburse subsidies within a few months, and this would be against the policy intent of ESS.

#### Temporary unemployment assistance and Special Scheme of Assistance to the Unemployed

69. Mr WU Chi-wai stated that due to the intermittent resurgence of the epidemic and that vaccines would not be available until the end of 2021 at the earliest, he expected that the unemployment rate and underemployment rate would continue to rise. Recently, some enterprises had even stated that in order to preserve their strength, they would not apply for the second tranche of ESS, which meant that these enterprises would lay off employees. He enquired how the Government would deal with the above situation and called on the Government to change strategy and set up temporary unemployment assistance.

70. In response, SLW advised that Hong Kong was hit by the financial tsunami in 2008. At that time, the unemployment rate rose by more than 3% and did not recede to below 3% until 2017, which proved that the problem of high unemployment rate would last for a relatively long time. The impact of the epidemic on Hong Kong's economy was far greater than that of the financial tsunami and the unemployment problem would not be resolved easily within two to three years. Therefore, once unemployment assistance was set up, it would become a long-term measure.

71. Ms Alice MAK referred to HKFTU's fundraising to assist people made redundant due to the epidemic. Ms MAK, Mr KWOK Wai-keung, Ms Elizabeth QUAT, Mr James TO and Mr WU Chi-wai criticized that the Government disregarded public opinion as it had not responded to the aspirations of members by setting up an unemployment assistance fund. Mr TO said that ESS and unemployment assistance were both temporary in nature and questioned why the Administration considered the latter not feasible.

72. Mr WU Chi-wai pointed out that assuming there were 100 000 unemployed people and the Government provided each unemployed person with a monthly unemployment assistance of \$9,000 for a period of six months, the total expenditure would only be \$5.4 billion; even if the subsidies lasted one year, the total expenditure would only be \$10.8 billion. Currently with fiscal reserves of more than \$800 billion, the Government was absolutely capable of providing the assistance concerned.

73. SLW reiterated that the Government would not consider setting up temporary unemployment assistance scheme that did not require asset tests and contributions. To enhance long-term unemployment support, it had to handle issues such as severance payments, long service payments and the "offsetting" arrangement altogether.

74. Mr KWOK Wai-keung was of the view that the Government's support for the unemployed was far from adequate. He requested the Administration to respond to the following suggestions :

- (a) allowing the unemployed to apply for the Special Scheme of Assistance to the Unemployed under the CSSA Scheme on an individual basis, and be exempted from counting the cash value of the applicants' insurance policies in the calculation of the asset limit; and
- (b) relaxing the requirement of the Working Family Allowance Scheme ("the WFA Scheme") that the aggregated monthly

working hours of non-single-parent household should reach 144 hours.

Mr Andrew WAN also raised similar suggestions and enquired whether the Administration could temporarily abolish the time limit of basic food assistance under the Short-term Food Assistance Service Projects, which currently stood at eight weeks.

75. Dr Fernando CHEUNG stated that the asset test of the Special Scheme of Assistance to the Unemployed was based on the total assets of applicants and their family members, making it difficult for unemployed grassroots citizens to meet the eligibility criteria for the Special Scheme. He was of the view that the Administration should further relax the method of asset calculation.

76. In response, CS and SLW advised that the Administration would consider the suggestions made by Members. SLW stated that the social welfare system in Hong Kong was family-oriented. Any changes in the system would affect all family-oriented policies. This would have far-reaching effects, far from being a simple change. The relevant changes would also involve computer system updates, and the implementation would take a long time.

Support for businesses affected by anti-epidemic and social distancing measures

*One-off relief grant to providers of catering services for schools and post-secondary education institutions and operators of interest classes and school bus services for schools*

77. Mr HUI Chi-fung referred to the provision of one-off relief grant to providers of catering services for schools and post-secondary education institutions and providers of interest classes and school bus services for schools in Enclosure A8 to FCR(2020-21)71 and pointed out that some service operators had negotiated with schools/parent-teacher associations to maintain the arrangements for fee payments during the epidemic, so that they would still have income even though their business was suspended. It would be unfair to parents if these service operators could also receive the Government's relief grant. Mr HUI enquired how the Government would plug the loopholes in this respect, such as whether it would require these service operators to return to parents the service fees collected during service suspension.



78. Under Secretary for Education ("US(Ed)") cited school bus service providers as an example. The Government noted that most school bus drivers and escorts were forced to stop working during the epidemic and ceased to have income. Although some parents might be willing and could afford to continue paying school bus service fees during class suspension, quite a lot of parents were unable to pay due to financial difficulties. The Administration did not have relevant information on those school bus service operators that could maintain charging arrangements during the epidemic. US(Ed) pointed out that whether school bus service operators could continue to charge relevant service fees during the epidemic was not a consideration for applications relating to the above-mentioned relief grant.

79. At the request of Mr HUI Chi-fung, the Administration would provide information after the meeting on the number of school bus service operators that still collected school bus fees from parents of their serving schools during class suspension under the epidemic, and whether the relevant school bus service operators had collected the fees in full; if not, the percentage of fees collected.

*[Post-meeting note: The Administration's written response was issued to members vide LC Paper No. FC17/20-21(01) on 29 October 2020.]*

80. Mr Holden CHOW noted that the third round of AEF only provided subsidies to instructors of interest classes in primary and secondary schools. He enquired whether the Administration could extend the subsidy coverage to include instructors who taught in kindergartens. He further said that a large number of instructors of interest classes were unable to teach face-to-face courses due to the epidemic, and their livelihoods were greatly affected. He asked whether the Administration would negotiate with relevant schools to allow video teaching so that the instructors would have income.

81. US(Ed) stated that the Government encouraged life-wide learning in primary and secondary schools and extra-curricular activities were part of learning. However, as kindergartens adopted integrated thematic teaching and that kindergarten students were relatively young, the Administration did not encourage the introduction of dedicated professional training in kindergartens. She believed that most instructors of interest classes also taught in primary and secondary schools, therefore the relevant subsidy scheme already covered most instructors. Regarding video teaching, US(Ed) stated that schools had their own ways to handle this matter based on their curriculum design, the needs of students and

school-based characteristics, and that the Administration would continue to strengthen communication with schools, and hoped that schools and instructors of interest classes would properly arrange classes and make good use of resources to facilitate student learning.

*The arts and culture sector*

82. Mr MA Fung-kwok stated that many members of the arts and culture sector were still unable to benefit from any relief measures of AEF at present. By way of illustration, he cited that the sector had more than 100 000 freelancers, of which only around 40 000 people could receive a one-off subsidy of \$7,500, which meant that more than 60 000 people did not receive any support. He criticized the Government for its failure to follow up the issues on the grounds of difficulty in identifying this group of people. He pointed out that the sector had identified this group of people on their own and raised funds to provide them with basic economic support. He was of the view that the Government should be able to obtain relevant information and consider how to assist these people.

83. CS stated that if the sector was able to provide sufficient information and develop a reliable and credible mechanism to identify freelancers in the arts and culture sector, he was willing to discuss with the bureaux again on how to further assist the sector.

84. Mr Holden CHOW stated that the Administration supported the arts and culture sector through organizations such as the Chinese Artists Association of Hong Kong ("Barwo") earlier, but many frontline actors, artists and art workers were freelancers who might not have affiliation with a particular organization. He enquired whether the Administration could allow these people to receive allowances through providing proof of work.

85. Mr SHIU Ka-chun noted that the third round of AEF provided subsidies to individual arts practitioners and freelancers and provided rental support for tenants of arts spaces and Jockey Club Creative Arts Centre. However, the Administration had yet to provide continuous support to freelancers, nor had it extended the coverage of subsidy. Criticizing the Government for ignoring the aspirations of the arts and culture sector, he made the following enquiries:

- (a) the reasons for the Administration to propose the provision of subsidy to individual arts practitioners/freelancers listed in the database of the Hong Kong Arts Development Council or Barwo, but not other individual arts practitioners/freelancers; the difficulties in verifying the identities of the people

concerned;

- (b) whether it would extend the period for rental waivers of performance venues and provide rental subsidies to groups that operated independently; and
- (c) whether it would subsidize the administrative costs of concessionary tickets and ticketing matters borne by art groups.

86. Secretary for Home Affairs ("SHA") stated that the first round of AEF allocated \$150 million to launch the Arts and Culture Sector Subsidy Scheme. As of 11 September 2020, around \$124 million had been disbursed to 862 organizations, supporting a large number of people. Both the Home Affairs Bureau and the Commerce and Economic Development Bureau launched subsidy schemes to assist the performing arts industry, e.g. provision of subsidy to companies in the performing industry which organized pop concerts. The bureaux met with members of the arts and culture sector earlier, and their main concern was when the performance venues could be reopened so that they could continue their performance work. The Administration had opened performance venues successively since September, and ticket sales had also begun for some performances held in October. The Administration would keep on communicating with the sector and explore the feasibility of relaxing the existing anti-epidemic measures to assist more members of the sector.

#### *Tourism industry*

87. Mrs Regina IP stated that the tourism industry had been hard hit by the epidemic, and practitioners in the sector all hoped to resume work as soon as possible. However, it was unlikely to organize large-scale international tour groups in the short term. Therefore, it was necessary to stimulate local consumption. She enquired whether the Administration would allow travel agents to resume local tours.

88. Secretary for Commerce and Economic Development stated that as long as circumstances permitted, travel agents could always organize local tours during the epidemic, but the number of participants would be restricted under the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Cap. 599G)("No-gathering Order"). If the No-gathering Order was further relaxed, the Government was happy to continue supporting travel agents to organize more local tours. The Government had also launched a scheme to subsidize the sector to organize local tours earlier.

89. Mr YIU Si-wing enquired whether the Administration could extend the application period of the Green Lifestyle Local Tour Incentive Scheme and the Travel Agents Incentive Scheme to mid-2021, so that the sector could apply for relevant subsidy schemes when the tourism industry recovered.

90. Under Secretary for Commerce and Economic Development ("USCED") stated that depending on the epidemic development and the recovery of the tourism industry, the Government would discuss with the sector whether it was possible to extend the application period.

*Catering industry*

91. Mr Tommy CHEUNG stated that lunchbox providers holding food factory licences benefitted from the Food Licence Holders Subsidy Scheme under the first round of AEF. Each licence holder could receive a subsidy of \$80,000, but some providers relayed that they had not received the subsidy yet. He hoped that the Administration could help follow up the issue. Moreover, regarding the Catering Business (Social Distancing) Subsidy Scheme under the second round of AEF, applicants had to submit certificates issued by auditors on the total salary of relevant employees and the total number of salaried employees before receiving the second tranche of subsidy. Mr CHEUNG also raised the following requests for the catering sector:

- (a) relaxing the business hours of catering outlets from 6 am to 12 am, and allowing four people to share one table;
- (b) relaxing the business hours of bars, karaoke establishments and nightclubs from 6 pm to 6 am;
- (c) the Government to assist the catering sector with verifying the effectiveness of various disinfection and sterilization machines on the market that could be installed in catering outlets; and
- (d) assisting the catering sector with promoting the use of electronic payment systems, e.g. providing incentives to customers by organizing lucky draws.

92. CS stated that matters such as the installation of ventilators and disinfection and sterilization machines in catering outlets required experts from relevant bureaux/departments such as FHB and the Electrical and Mechanical Services Department to follow up and provide relevant

opinions. As for the introduction of electronic payment systems, he said that electronic payment was an emerging trend, and the Government would strengthen publicity and promotion in this regard.

93. Mr Jeremy TAM pointed out that a large number of small takeaway shops (e.g. shops that sold fish balls, egg waffles, etc.) held a food factory licence. Their business was also affected by the epidemic, but the third round of AEF did not provide them with financial assistance. He enquired about the reason for that and whether the Administration would consider providing food factory licence holders with subsidy afresh.

94. Director of Food and Environmental Hygiene ("DFEH") stated that the first round of AEF provided subsidy to most food premises licence holders, including food factory licence holders; while the second round of AEF focused on assisting catering outlets providing dine-in services which bore most of the impact of social distancing measures. Therefore, the second round of AEF only provided subsidy to holders of four types of licences, without including food factory licence; the target beneficiaries of the third round of AEF were the same as those of the second round, so the scope of subsidy remained the same.

#### *Cross-boundary transport sector*

95. Mr Wilson OR was of the view that the support provided by the Administration to drivers of cross-boundary goods vehicles, buses and hire cars was minimal. He enquired about further measures of the Administration to support the people concerned. Mr CHAN Han-pan noted that the third round of AEF provided subsidy to registered owners of non-franchised buses and hire cars, etc. However, he was concerned that drivers of cross-boundary commercial vehicles, including buses, limousines, had been idle due to the epidemic and did not have any income, but they still had to pay insurance premiums and vehicle examination fees both in Guangdong and Hong Kong. He enquired whether the Administration could provide special subsidy to cross-boundary commercial vehicles.

96. Secretary for Transport and Housing ("STH") stated that the Administration had communicated regularly with the cross-boundary transport sector and provided them with various kinds of assistance, such as cash grants for registered owners of cross-boundary coaches and hire vehicles under the third round of AEF; ESS also provided subsidy to self-employed drivers who had made Mandatory Provident Fund ("MPF") contributions; licence fee for commercial vehicles was waived as well. He further said that passenger traffic of land boundary crossing fell sharply

due to the epidemic, dropping from 600 000 people per day in the past to 2 000 to 3 000 people per day. However, the impact on freight was relatively minor. The volume of air and sea freight fell by less than 10% year-on-year in aggregate since the beginning of the year and cargo aircraft movements even increased in some months. To ensure the continuous flow of cross-border goods to provide Hong Kong with supplies and daily necessities, the Government had done a lot of work, including bearing the costs of nucleic acid tests for cross-boundary goods vehicle drivers at ports, and maintaining close contact with Guangdong and the sector regarding the accommodation arrangements on the Mainland for drivers of Hong Kong cross-boundary goods vehicles who lived on the Mainland but needed to travel between Guangdong and Hong Kong.

*Taxi sector*

97. Ms Tanya CHAN stated that while the Administration provided subsidy to taxi drivers through AEF, some drivers said that they had not yet received the relevant subsidy. She enquired whether the Administration had arranged relevant manpower to assist in following up the progress of handling applications and subsidy disbursement.

98. Commissioner for Transport ("C for T") admitted that the progress of disbursing subsidy to taxi drivers was slow as it took time for the Administration to verify relevant documents, given that the regulation on the taxi sector was not as comprehensive as that on franchised buses. The Transport Department had doubled its manpower to handle the applications.

99. Mr Kenneth LEUNG enquired whether the Administration had plans to install electronic payment systems in all taxis, and when would this be done. Mr SHIU Ka-chun also expressed similar concerns. Ms Tanya CHAN stated that some taxi drivers told her that they were deterred by the administration fee for installing and using such electronic payment systems.

100. STH and C for T stated that certain members of the taxi trade had installed electronic payment systems at present. The Administration understood that under the epidemic, the public wished that electronic payment would be available. They would discuss with the taxi sector on how to speed up the promotion and installation of the systems concerned.

*Convention and exhibition sector*

101. Mr Vincent CHENG stated that, unable to earn a living under the epidemic, many members of the convention and exhibition ("C&E") sector had changed careers, especially those responsible for engineering work. Although the Administration suggested that people engaged in engineering work apply for subsidy related to the construction sector, at least thousands of people in the C&E sector were not able to apply for such subsidy. As the Administration earmarked around \$1 billion to launch the Convention and Exhibition Industry Subsidy Scheme in the first round of AEF, he enquired whether the Administration could use the above funding to support the C&E sector first, in order to retain talents.

102. USCED stated that the Administration would relaunch part of the Convention and Exhibition Industry Subsidy Scheme on 3 October. Exhibitors who intended to organize international conventions or exhibitions in AWE or the Hong Kong Convention and Exhibition Centre could receive full subsidy for venue costs. By doing so, the Administration wished to restart exhibition activities to benefit the trade, including the frontline staff. He pointed out that it was difficult for the Administration to identify practitioners of various sectors, and the Administration would study and consider any specific suggestions from various sectors in the society.

*Construction sector*

103. Mr Tony TSE expressed support for the third round of AEF. He stated that the construction sector had a high unemployment rate of 11.3% right now, and was eagerly waiting for employment opportunities from public works projects. He hoped that FC could effectively deliberate various financial proposals related to public works projects, and the Government should also seize the time to invite tenders for the approved projects as soon as possible. He was of the view that the Government should not bundle the projects to large enterprises and suggested reserving around 30% of the projects for bidding among small and medium enterprises ("SMEs").

104. Under Secretary for Development ("USDEV") stated that after FC approved the funding for public works projects, the Administration would implement the relevant projects as soon as possible. Of the projects approved by FC last year which involved over \$170 billion of funding, more than half were already awarded by the Administration, and the rest were in the process of tendering or tender assessment.

105. Mr Tony TSE enquired about the progress of the territory-wide scheme proposed under the second round of AEF to proactively inspect the external drainage pipe systems of over 20 000 private domestic buildings, and whether the Administration would expand the scheme to cover more buildings and extend the scope of inspection to lobbies and common areas, etc. USDEV advised that he would consider Mr TSE's views.

*Wholesale and retail sector*

106. Mr SHIU Ka-fai enquired why the third round of AEF had not provided assistance to the wholesale and retail sector he represented. He pointed out that business of a large number of enterprises/shops had plummeted due to the epidemic and their operating conditions were precarious, but they were still charged for high rents. He asked how the Administration could assist them.

107. CS expressed his wish that the society understood budget deficit had already appeared in this financial year. The Government had to handle expenditures with prudence. Therefore, the third round of AEF would focus on assisting various types of scheduled premises which had to suspend business or shorten business hours due to a series of anti-epidemic and social distancing measures. He promised to make good use of the unused funding of AEF and introduce measures to plug the gaps when necessary.

108. CS further stated that he understood the huge burden of rents on various businesses. Therefore, the Government had already set an example of giving rental waivers. Eligible tenants of government properties could receive 75% rental concessions, and tenants of properties that were closed could receive full rental waiver until 31 March 2021. The Government had also extended the concession of water and sewage charges payable by non-domestic users, and enhanced rates concession to non-domestic tenements for the third and fourth quarters of 2020-2021. The exemption ceiling had increased from \$1,500 to \$5,000 per quarter. Furthermore, the Government had also urged the Airport Authority Hong Kong ("AAHK"), the Hong Kong Science Park, Cyberport, the Hong Kong Housing Authority ("HKHA") and the Hong Kong Housing Society ("HKHS"), etc. to follow the Government to provide rental concessions. The amount of rents involved was around \$1 billion.

*Other businesses/organizations*

109. Mr WONG Ting-kwong stated that the Democratic Alliance for the Betterment and Progress of Hong Kong supported the third round of AEF,



but was of the view that the Government did not face up to public opinions when formulating policies. He pointed out that many sectors were unable to benefit from the third round of AEF, and enquired how the Government would plug the gaps.

110. Ms Elizabeth QUAT stated that some non-government-subsidized charitable organizations reflected to her that as the Government only provided limited services during the epidemic, many members of the public turned to them for help, greatly increasing their caseloads. However, currently the Government only supported the operating expenditure of more than 160 non-governmental organizations subsidized by the Social Welfare Department, while other charitable organizations needed to raise funds on their own. However, their fundraising activities completely came to a halt owing to the epidemic. Pointing out that one source of income of these organizations was to organize interest classes, Ms QUAT enquired whether the Administration could relax the eligibility for applications for grants for providers/instructors of interest classes, so as to help them tide over difficulties.

111. Mr KWOK Wai-keung stated that some security and cleansing workers reflected to him that so far they had yet to receive all the hardship allowances they entitled under the first round of AEF. He requested the Administration to instruct the Property Management Services Authority, which was responsible for the scheme, to carry out random checking. He was also concerned that coaches not registered under the National Sports Associations/Sports Organizations or coaches of leisure time and physical activities were not eligible for assistance under AEF.

112. Mr SHIU Ka-fai pointed out that a large number of businesses, such as department stores/chain store counters, hawkers, production companies and wedding planners were not supported by AEF. He enquired when the social distancing measures would be relaxed, so that businesses such as wedding planning could resume operation.

113. CS admitted that measures under AEF were imperfect, yet the Government had tried its best to make rectifications in response to opinions from Members and the public. Due to limited public resources, a new high of more than \$300 billion in fiscal deficit and a really challenging prospect, the Government had to exercise fiscal prudence and hoped that the people would understand.

114. SFH stated that the Administration evaluated the epidemic development from time to time, and would relax the social distancing measures in an orderly and systematic manner when the epidemic

stabilized.

Rental waivers and other waivers

115. Mr Andrew WAN enquired whether the Administration had taken the initiative to discuss with property developers and requested them to give back to the public and small tenants.

116. Mr SHIU Ka-chun was concerned that a large number of market stalls and small catering outlets were hard hit by the epidemic, but some owners increased rents by 50% despite the market downturn. He enquired that apart from verbal appeals, what measures the Administration had launched to request owners to reduce rents. Ms Tanya CHAN and Mr Paul TSE expressed similar concerns.

117. SLW stated that the Government added new terms to the second tranche of ESS. If any conduct of the employers directly or indirectly violated the Scheme's objective of retaining employment or was contrary to public interest, the Government reserved the right to require the employers to return the wage subsidies in part or in full.

118. CS stated that the Government was highly concerned about the rental issue. Senior government officials (including the Chief Executive) had met with property developers in person and urged them to provide rental waivers. He pointed out that Hong Kong society followed the "free market" principle and respected the spirit of contract, so it was difficult for the Government to order any reduction in rents, but the Administration would continue to maintain communication with property developers. The Government had taken the lead in rental concessions, extension of concession of water and sewage charges, and enhanced rates concession to non-domestic tenements in order to alleviate the pressure on tenants in all aspects. STH added that HA and HKHS provided rental waivers to non-domestic tenants from 1 October 2019 to 31 March 2021, which involved over \$1.6 billion and \$300 million respectively. The Administration would pay close attention to the latest development.

119. Mr Jeremy TAM noted that AAHK previously launched relief measures to support retail and catering tenants at the airport. He enquired whether AAHK had provided relevant tenants with further support. He also requested the Administration to provide supplementary information on rental concessions/waivers provided by AAHK to tenants during the COVID-19 epidemic; and set out the amounts of monthly rents involved in tabular form.

120. STH stated that AAHK would provide rental waivers to tenants in the retail and catering sectors at the airport depending on actual circumstances.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide LC Paper No. FC22/20-21(01) on 30 October 2020.]

121. Mr Paul TSE enquired whether the Administration could reduce taxes in response to aspirations of the middle class. CS replied that the Government had announced earlier the extension of tax payment deadlines to alleviate such problems as cash flow faced by the middle class. CS further said that the Secretary for Financial Services and the Treasury ("SFST") would relay Mr TSE's views to the Financial Secretary.

#### Revitalizing the economy

122. Mr Abraham SHEK expressed support for the third round of AEF. He was concerned that the Government's financial commitment to combat the epidemic in the past nine months had reached nearly \$300 billion, which had reduced Hong Kong's fiscal reserves to around \$800 billion. The productivity and competitiveness of Hong Kong had also declined under the effect of the epidemic. He enquired how the Administration would lead Hong Kong to revive its economy in the face of the new normal of co-existence with the epidemic.

123. Mr Martin LIAO stated that employers expected the Government to revitalize the economy, so as to revive business in various sectors instead of only providing short-term subsidies to different trades. He enquired when the Government would confirm the implementation of measures such as "sports bubbles" and "business bubbles" to reduce the impact of the epidemic on economic activities.

124. CS stated that the Government had all along combated the epidemic under the "suppress and lift" strategy. On one hand, it was committed to curbing the epidemic; on the other, it was also working hard to restart the economy, such as launching "travel bubbles" and relaxing the social distancing measures in due time.

125. USCED stated that of the three rounds of measures under AEF, the Government had allocated more than \$1.75 billion to assist the tourism sector. On the other hand, the Government continued to improve the local atmosphere through green lifestyle local tours and travel incentive schemes, while providing economic incentives to assist the tourism sector.

The Government was also negotiating with 11 economies to reach agreements on bilateral "Air Travel Bubbles", and successively set up inter-department working groups for further follow-up depending on the progress of discussion. As the agreements involved complex issues such as respective immigration and quarantine policies/measures of the local and relevant economies, the discussion would take time. The Government would continue to negotiate with a view to reaching agreements as soon as possible.

126. Mr LAU Kwok-fan stated that many Members suggested the Government follow the example of Macao and other places to hand out consumption vouchers to stimulate the economy, but the Administration refused on the grounds of complicated administrative procedures. He pointed out that it only took about two months for Macao to announce handing out consumption vouchers and for the citizens to actually receive such vouchers. He enquired whether the Administration would learn from successful experience of other places and consider rolling out a consumption voucher programme in the Policy Address with at least a voucher value of \$5,000 per capita.

127. CS stated that consumption vouchers involved many technical issues and might not be feasible. The Government welcomed Members' suggestions on revitalizing the economy, and was also open to draw reference from successful experience of other places. If Hong Kong's economic environment and the Government's capability allowed, the Administration would be happy to consider launching new measures.

#### Enhancement of the Special 100% Guarantee Product under the SME Financing Guarantee Scheme

128. Mr CHAN Chun-ying was of the view that the Administration was willing to accept opinions as the basis for loan calculation of the enhanced Special 100% Guarantee Product under the SME Financing Guarantee Scheme ("SFGS") was increased from the total amount of employee wages and rents for 6 months to that for 12 months. He referred to LC Paper No.FC295/19-20(01) in which the Administration stated that the average facility amount per enterprise was around \$1.62 million since the Special 100% Guarantee Product was launched in April 2020 and up to 31 August. He was concerned that even if calculated by the total amount of wages and rents for 12 months, each enterprise could only receive a loan of around \$3.3 million on average, unable to obtain the maximum loan amount of \$5 million. He enquired whether the Administration could further adjust the basis for calculation to allow applicants to also include costs of detention of goods and overheads such as water, electricity, lighting and gas

charges in the calculation with a view to applying for more loans.

129. USCED stated that according to the SMEs contacted by the Administration in the past, their operating costs mainly involved rents and wages. Therefore, the Administration used these costs as the basis for calculating the loan amounts when it launched the Special 100% Guarantee Product. The Administration had fine-tuned the Scheme and increased the maximum loan amount from the total amount of employee wages and rents for 6 months to that for 12 months, or \$5 million (\$4 million previously). After the Scheme was implemented for a period of time, the Administration would examine the situation and discuss with the trades again.

### Cash handout

130. Mr KWONG Chun-yu criticized that while Hong Kong's economy was on the verge of collapse at the moment, the Government ignored the suffering of the people and refused to follow the example of Macao to hand out cash to the public. He was of the view that handing out cash (e.g. \$10,000 each person) to Hong Kong people was the most direct way to relieve the people's hardship, and enquired whether the Administration planned to wait until the Policy Address to announce the cash handout.

131. CS stressed that the Government cared about the people and understood the difficulties faced by them, but he hoped that Members understood the critical state of public finance. The Policy Address was an important policy blueprint of the Chief Executive and he would not speculate in this respect.

### Early withdrawal of accrued benefits attributed to employee contributions in Mandatory Provident Fund accounts

132. Ms Elizabeth QUAT and Mr WONG Ting-kwong enquired whether the Administration could consider allowing the people to withdraw early the accrued benefits attributed to employee contributions in MPF accounts, with a ceiling of 50%, so as to meet the people's urgent needs. Mr WONG stated that the economy would take time to recover after the epidemic, and many members of the public hoped to withdraw in advance part of the accrued benefits from their contributions to tide over the difficulties. He called on the Government to accept the suggestion with an open mind. Mr Paul TSE also expressed similar concerns and enquired about the response of the Administration to the word that applications for early withdrawal of MPF from some British National (Overseas)(i.e. "BNO") passport holders on the grounds of "permanent departure from Hong Kong" were declined, while the same from holders of

Home Return Permits for reasons of retirement and living on the Mainland were approved.

133. CS stated that there were certain difficulties in implementing the above suggestion. The Government had to consider financial and policy issues and it would be difficult to meet all aspirations. SFST pointed out that the original intention of the MPF system was to prepare for the retirement of the public. The economy had to be revived before the people could be relieved from hardship. AEF had launched various support measures specifically for individual businesses and the needs of the society as a whole.

#### Support for online learning of school children

134. Ms Alice MAK stated that HKFTU was gravely concerned about the lack of computers, related software and Internet equipment for grassroots school children who needed to study online at home during the epidemic, and it had received many cases of assistance from parents. Referring to the assistance provided by HKFTU for these school children through fundraising, she criticized that the Government had yet to provide support for such school children. LegCo Members belonging to HKFTU sent letters requesting a meeting with the Secretary for Education to discuss the issue, only to be declined by the Secretary, citing reasons for the busy schedule of official duties. Ms MAK expressed dissatisfaction in this respect.

#### Injection of capital into Cathay Pacific Airways Limited

135. Mr Kenneth LEUNG referred to Enclosure A7 to FCR(2020-21)71 which specified that Cathay Pacific Airways Limited ("Cathay") and its wholly-owned subsidiaries would not benefit from the Government's two subsidy schemes for the aviation industry. He enquired about the definition of wholly-owned subsidiaries and whether Cathay had any non-wholly-owned subsidiaries. Mr LEUNG was also concerned that the Government previously injected more than \$20 billion into Cathay through the Land Fund, but Cathay stated clearly that it would not apply for the second tranche of ESS, indicating that the company might have a large-scale layoff in the short term. He enquired whether the capital injection agreement had set out terms for employee protection; when the Government would give an account to LegCo of the situation after capital injection; and whether it would invest again into Cathay in the next 12 months.

136. In response, STH said the purpose of the Government's investment in Cathay was to uphold Hong Kong's status as an international aviation hub. Cathay's management would go on handling its daily operations. SFST added that according to the relevant agreement of the Government's investment in Cathay, the Government would appoint two observers to the Cathay Pacific Group's Board of Directors. Cathay itself was a listed company, so it would disclose information according to the rules.

Impact of suspension of the Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link

137. Mr KWONG Chun-yu pointed out that according to the Supplemental Service Concession Agreement, if the actual patronage of the Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL") was 15% lower than projected, the Kowloon-Canton Railway Corporation ("KCRC"), wholly owned by the Government, would bear 70% of the loss. He enquired about the total loss incurred by the Hong Kong section of XRL so far as it was suspended due to the epidemic from February to August, and whether the Administration could promise not to use public money to make up for the loss.

138. STH stated that the MTR Corporation Limited ("MTR") and KCRC signed the Supplemental Service Concession Agreement which stipulated the terms on the operation, passenger flow, and a "Patronage Cap-and-Collar Mechanism" of the Hong Kong section of the XRL. MTR and KCRC would deal with the shortfall in actual patronage according to the mechanism. He pointed out that the agreement was a commercial contract with sensitive contents which also involved a listed company, so any disclosure would not be appropriate.

Other concerns

139. Mr Paul TSE was concerned that the total amount of write-offs of the Government and various public bodies was rather high. He was of the view that the Administration should utilize/recover the following funds/ unspent balances to increase the resources available for preventing and fighting the epidemic, and requested the Administration to provide the following information:

- (a) the balances of various funds established and managed by the Government;
- (b) payments owed by users of services of various government departments and HA in the past five years; and

- (c) the funds of Chinachem Charitable Foundation Limited which could be used for disaster relief.

140. CS stated that the Administration would review after the meeting whether it could provide the information requested by Mr Paul TSE. He added that some funds were subject to legal regulation and there were certain constraints in their use. The Administration had flexibly allocated other available funds to relieve the people's hardship. The Administration were now making every effort to curb the epidemic and would also strive to revitalize the economy. He believed that the Guangdong—Hong Kong—Macao Greater Bay Area would be a vital engine for Hong Kong's economic development.

*[Post-meeting note: The supplementary information provided by the Administration was circulated to members vide LC Paper No. FC3/20-21(01) on 19 October 2020 and LC Paper No. FC41/20-21(02) on 13 November 2020.]*

141. Mr Paul TSE enquired whether the Project Cost Management Office ("PCMO") could enhance its manpower and authority to play a greater role in examining project expenditures (including the "Lantau Tomorrow Vision" Scheme).

142. CS stated that the Government would first conduct a preliminary study on the "Lantau Tomorrow Vision" Scheme. If the project was confirmed, it would certainly utilize the resources cautiously. USDEV stated that PCMO had been upgraded to the Project Strategy and Governance Office with increased manpower. Currently the cost estimates of every large-scale project would be reviewed by PCMO. PCMO would also closely monitor the cost estimates during the construction stage to ensure no cost overruns.

143. At 11:03 am, the Deputy Chairman directed that the meeting be suspended. The meeting resumed at 11:15 am. The Chairman took over the chair.

144. At 1:01 pm, the Chairman stated that FC had spent around 12.5 hours on the discussion of item FCR(2020-21)71. A total of 58 members had spoken for a total of 153 times and most members had spoken for the fourth time. To allow the item to be voted on within a reasonable time, he would end the discussion at 3:30 pm.

145. The meeting was suspended at 1:02 pm and resumed at 2:33 pm.



Motion to adjourn discussion on item FCR(2020-21)71

146. At 3:25 pm, when speaking on the agenda item, Dr Fernando CHEUNG moved without notice under paragraph 39 of the Finance Committee Procedure ("FCP") a motion to adjourn discussion on item FCR(2020-21)71 ("the adjournment motion"). The Chairman proposed the question, and directed that each member might speak on the question once for not more than three minutes.

147. Dr Fernando CHEUNG stated that the Government's anti-epidemic measures failed to effectively assist those people who were more seriously affected by the epidemic, had higher infection risks or those who were most in need of financial assistance, including the elderly living in crowded RCHes, low-income/unemployed people, households in subdivided units, street sleepers, and people who stayed at home for a long time due to the epidemic and faced with various family problems; on the contrary, employers of large enterprises without financial difficulties could still receive large amounts of wage subsidies under ESS. Therefore, he proposed the adjournment motion so that the Government could revise the current funding proposal in light of members' views for re-submission to FC for approval.

148. Ms Claudia MO, Mr Andrew WAN, Mr HUI Chi-fung, Mr Alvin YEUNG, Mr WU Chi-wai, Mr KWONG Chun-yu, Mr CHAN Chi-chuen, Dr CHENG Chung-tai, Mr LAM Cheuk-ting, Dr KWOK Ka-ki, Dr Helena WONG, Mr SHIU Ka-chun and Mr Jeremy TAM spoke in support of the adjournment motion. These members' views were summarized as below:

- (a) the Government failed to respond unequivocally to members' enquiries on the funding proposal and explain the justifications for the expenditures (e.g. why the manpower and administrative costs for procurement and administration of vaccines to the public against COVID-19 were estimated to be as high as nearly \$3 billion);
- (b) details of some measures of the funding proposal were unclear (e.g. the costs of universal vaccination, implementation details of setting up a designated fund for implementing a Special Support Scheme to provide subsidized consultation sessions at HKUSZH for HA's chronic disease patients who were unable to return to Hong Kong for receiving their scheduled medical consultations in HA owing to travel restrictions during the COVID-19 outbreak;

- (c) cross-party members were all of the view that relief measures were inadequate, or the rationale contradictory, and the distribution of resources uneven. Not only did the measures fail to cover all businesses (e.g. non-registered education service centres, art centres) and people in need, but enterprises that were less affected by the epidemic and did not have operation difficulties (e.g. supermarkets, property management companies) could benefit instead. Despite many views put forward by members, the Government had not plugged the loopholes and launched appropriate measures;
- (d) the existing ESS and the six-month Special Scheme of Assistance to the Unemployed implemented under the CSSA framework failed to assist people who were unemployed/underemployed/had wage reduced without benefiting from these measures (especially freelancers). The Government should consider how to further improve or optimize the above measures, including considering how to verify the eligibility of freelancers for relief grants;
- (e) as one of Cathay's shareholders and lenders, the Government had not assisted the protection of job for the company's employees through ESS or other measures as early as possible;
- (f) the Government should consider setting up a short-term unemployment assistance fund and handing out cash universally again;
- (g) regarding the use of Chun Yeung Estate as a temporary quarantine centre, the Government's compensation for eligible public rental housing ("PRH") applicants who had accepted the advance allocation offers of the estate was insufficient; there was also no relevant follow-up actions under the third round of AEF;
- (h) the third wave of the epidemic was caused by the Government's inadequate efforts in boundary closure; the Government had to cautiously consider when to resume cross-boundary travel; and
- (i) the Government did not assist the 12 Hong Kong citizens who were detained by the Mainland when trying to abscond due to

cases involving the anti-extradition law amendments incidents; and, it also refused to approve processions and assemblies on the grounds of No-gathering Order, as well as delaying the LegCo election; all of the above amounted to trampling on civil rights.

149. Ir Dr LO Wai-kiwok, Mr CHAN Han-pan, Ms Alice MAK, Mr Steven HO and Mr SHIU Ka-fai spoke in opposition of the adjournment motion. In gist, these members were of the view that FC should expeditiously conclude the deliberation on the funding proposal to allow the Government to immediately launch various urgent relief or anti-epidemic measures. Members should not seek "mutual destruction" due to the deficiencies of the funding proposal and delay the approval and implementation of relevant measures. The Government should also listen to views of the community and improve the relief measures (especially the eligibility for ESS), and consider setting up an unemployment assistance fund.

150. At the invitation of the Chairman, STH stated that the Government disbursed ex-gratia allowances in April and July this year respectively to eligible PRH applicants who had accepted the advance allocation offers of Chun Yeung Estate through the appropriation from the first round of AEF, with each household receiving \$6,000 each time. The Administration planned to disburse ex-gratia allowances to these prospective tenants again in November and before the intake respectively. In response to the needs of individual prospective tenants, the Government also arranged for them to transfer to other PRH units or provided them with interim housing, and assisted school children of prospective tenants with change of schools, etc. Furthermore, HA also would, in light of the epidemic, provide rental waivers to tenants and commercial tenants, and confirmed that the "principal moratorium" arrangements were applicable to the subsidized sale flats scheme, and made special handling about the expiry of the notice-to-quit for tenants with rent arrears due to financial difficulties.

151. CS stated that the Government had sped up the provision of more quarantine units in quarantine camps in Penny's Bay so that prospective tenants could move into Chun Yeung Estate as soon as possible. Regarding members' view that the measures under the third round of AEF were insufficient, CS considered that members should evaluate from the perspective of cumulative resources and effectiveness of the three rounds of measures, while notice at the same time that 57 measures under the first and second round of AEF were still in progress, with effects remained to be seen. CS stated that, facing with financial pressure and the uncertainties over the external and local economy and the political environment, the

Government had to strike a balance between exercising fiscal prudence and alleviating people's hardship through resource allocation. If there were unspent balances after the completion of individual anti-epidemic measures, the Government would consider how to plug the gaps and optimize relevant measures.

152. Dr Fernando CHEUNG spoke in reply. The Chairman put to vote the motion that discussion on the agenda item be adjourned. At the request of members, the Chairman ordered a division. The motion was [negatived](#).

153. At 4:41 pm, the Chairman announced that the meeting be suspended, and that the meeting would be resumed at 4:52 pm.

Motions proposed by members under paragraph 37A of the Finance Committee Procedure

154. At 4:53 pm, FC started to vote on whether the motions proposed by members under FCP 37A ("FCP 37A motions") should be proceeded with forthwith. The Chairman put to vote, one by one, the questions that these FCP 37A motions should be proceeded with forthwith. At the request of members, the Chairman ordered a division for each of the questions put. Immediately after the Chairman had declared that the question on the first FCP 37A motion proposed by Mr Kenneth LEUNG be proceeded with forthwith was negatived, Mr Steven HO moved without notice a motion under FCP 47 that in the event of further divisions being claimed in respect of any motions or questions under the same agenda item, FC should proceed to each of such divisions immediately after the division bell had been rung for one minute. At the request of members, the Chairman ordered a division. The motion was carried.

155. The voting results on the questions on whether FC should proceed with the proposed FCP 37A motions forthwith were as follows:

Member proposing the motion	Serial number of the motion	Motion be proceeded with forthwith
Mr Kenneth LEUNG	<u>001</u>	<u>No</u>
Mr WU Chi-wai	<u>002</u>	<u>No</u>
Mr KWONG Chun-yu	<u>003</u>	<u>No</u>
Dr Helena WONG	<u>004</u>	<u>No</u>
Mr HUI Chi-fung	<u>005</u>	<u>No</u>
Mr James TO	<u>006</u>	<u>No</u>
Mr Andrew WAN	<u>007</u>	<u>No</u>

Mr LAM Cheuk-ting	<u>008</u>	<u>No</u>
Mr Alvin YEUNG	<u>009</u>	<u>No</u>
Ms Tanya CHAN	<u>010</u>	<u>No</u>
Dr KWOK Ka-ki	<u>011</u>	<u>No</u>
Mr Jeremy TAM	<u>012</u>	<u>No</u>
Dr Fernando CHEUNG	<u>013</u>	<u>No</u>
Mr CHAN Chi-chuen	<u>014</u>	<u>No</u>

Voting on FCR(2020-21)71

156. At 5:21 pm, the Chairman put item FCR(2020-21)71 to vote. At the request of members, the Chairman ordered a division. The Chairman declared that 37 members voted in favour of and 23 members voted against the item. No member abstained from voting. The votes of individual members were as follows:

*For:*

Mr Abraham SHEK Lai-him	Mr Jeffrey LAM Kin-fung
Mr WONG Ting-kwong	Ms Starry LEE Wai-king
Mr CHAN Hak-kan	Dr Priscilla LEUNG Mei-fun
Mr WONG Kwok-kin	Mr Paul TSE Wai-chun
Mr Michael TIEN Puk-sun	Mr Steven HO Chun-yin
Mr Frankie YICK Chi-ming	Mr YIU Si-wing
Mr MA Fung-kwok	Mr CHAN Han-pan
Mr LEUNG Che-cheung	Ms Alice MAK Mei-kuen
Mr KWOK Wai-keung	Mr Christopher CHEUNG Wah-fung
Ms Elizabeth QUAT	Mr Martin LIAO Cheung-kong
Mr POON Siu-ping	Dr CHIANG Lai-wan
Mr Dr LO Wai-kwok	Mr Jimmy NG Wing-ka
Dr Junius HO Kwan-yiu	Mr Holden CHOW Ho-ding
Mr SHIU Ka-fai	Mr Wilson OR Chong-shing
Ms YUNG Hoi-yan	Dr Pierre CHAN
Mr CHAN Chun-ying	Mr CHEUNG Kwok-kwan
Mr LUK Chung-hung	Mr LAU Kwok-fan
Mr Kenneth LAU Ip-keung	Mr Vincent CHENG Wing-shun
Mr Tony TSE Wai-chuen	
(37 members)	

*Against:*

Mr James TO Kun-sun	Mr LEUNG Yiu-chung
Prof Joseph LEE Kok-long	Ms Claudia MO
Mr WU Chi-wai	Mr Charles Peter MOK
Mr CHAN Chi-chuen	Mr Kenneth LEUNG
Dr KWOK Ka-ki	Mr Dennis KWOK Wing-hang

Dr Fernando CHEUNG Chiu-hung	Dr Helena WONG Pik-wan
Mr IP Kin-yuen	Mr Alvin YEUNG
Mr Andrew WAN Siu-kin	Mr CHU Hoi-dick
Mr LAM Cheuk-ting	Mr SHIU Ka-chun
Ms Tanya CHAN	Mr HUI Chi-fung
Dr CHENG Chung-tai	Mr KWONG Chun-yu
Mr Jeremy TAM Man-ho	
(23 members)	

157. The Chairman declared that the item was approved.
158. The meeting ended at 5:22 pm.

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